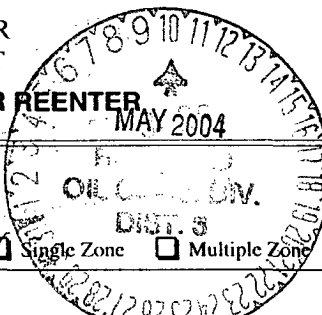


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000



1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. BIA #11
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name JICARILLA APACHE
2. Name of Operator ELM RIDGE RESOURCES, INC.		7. If Unit or CA Agreement, Name and No. N/A
3a. Address P. O. BOX 189 FARMINGTON, NM 87499	3b. Phone No. (include area code) (505) 632-3476	8. Lease Name and Well No. JICARILLA APACHE B 22
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 1950' FSL & 1980' FWL At proposed prod. zone SAME		9. API Well No. 30-039- 27728
14. Distance in miles and direction from nearest town or post office* 7 AIR MILES NORTHEAST OF COUNSELORS		10. Field and Pool, or Exploratory BALLARD PICTURED CLIFFS
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 3,300'	16. No. of Acres in lease 2,560	11. Sec., T., R., M., or Blk. and Survey or Area R 20-24n-5w NMPM
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 164'	19. Proposed Depth 2,400'	12. County or Parish RIO ARRIBA
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6,660' GL	22. Approximate date work will start* UPON APPROVAL	13. State NM
17. Spacing Unit dedicated to this well SW4 = 160 ACRES		
20. BLM/BIA Bond No. on file #886441C (BIA - NATION WIDE)		
23. Estimated duration 3 WEEKS		

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- | | |
|---|--|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

Comments

The only other well in the quarter-quarter is an Elm Ridge well.

cc:BIA, BLM (&OCD), Elm (D & F), Tribe

25. Signature 	Name (Printed/Typed) BRIAN WOOD	Date 7-28-03
Title CONSULTANT	PHONE: 505 466-8120	FAX: 505 466-9682
Approved by (Signature) 	Name (Printed/Typed) David R. Sitzler	Date APR 29 2004
Title Assistant Field Manager	Office	

Application approval does not warrant or certify the the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

State of New Mexico
Energy, Minerals & Mining Resources Department
OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C - 102

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

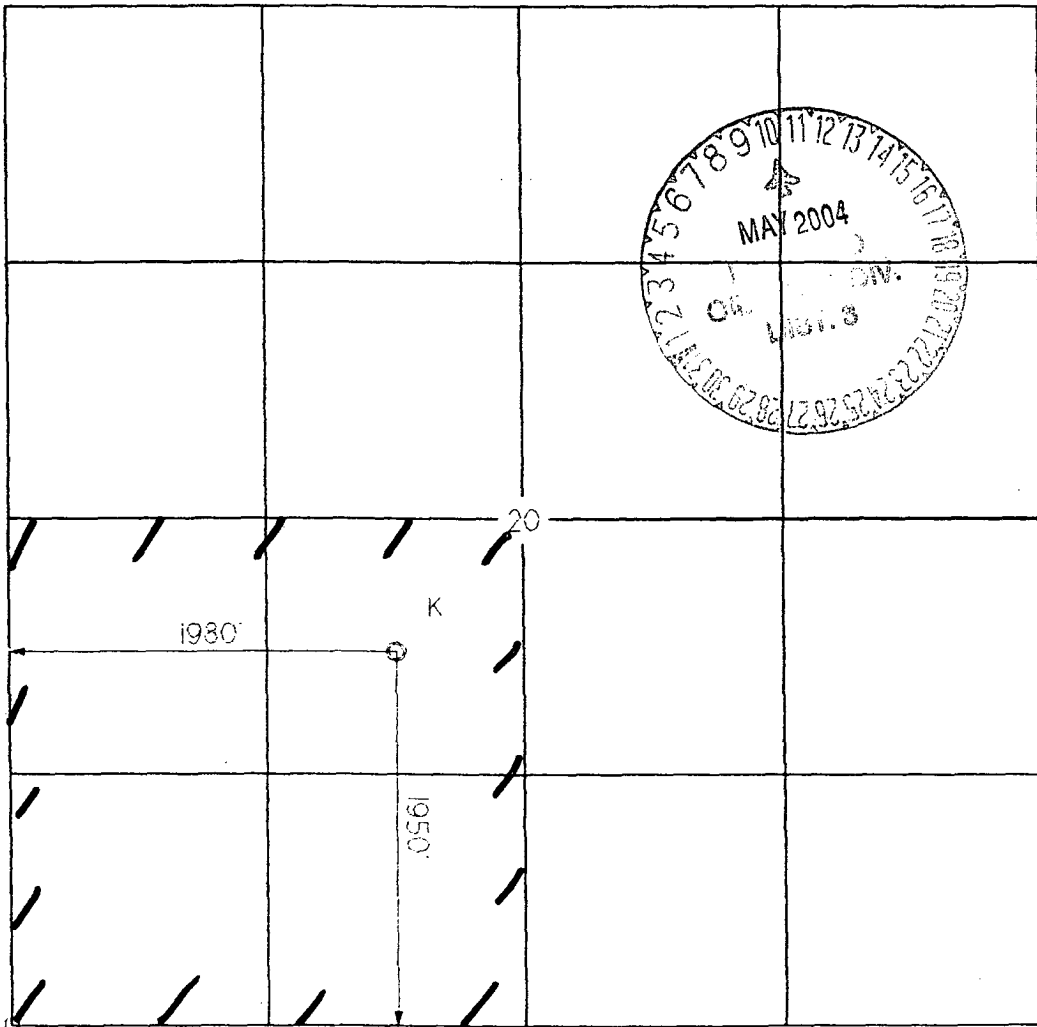
APA Number 30-039-27728	Pool Code 71439	Pool Name BALLARD PICTURED CLIFFS
Property Code 19026	Property Name Jicarilla Apache B	Well Number 22
OGRID No. 149052	Operator Name ELM RIDGE RESOURCES	Elevation 6660'

Surface Location									
UL or Lot K	Sec. 20	Twp. 24 N.	Rge. 5 W.	Lot Idn.	Feet from >	North/South SOUTH	Feet from >	East/West WEST	County RIO ARriba

Bottom Hole Location if Different From Surface									
UL or Lot	Sec.	Twp.	Rge.	Lot Idn.	Feet from >	North/South	Feet from >	East/West	County

Dedication 160	Joint ? .	Consolidation .	Order No.
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NO ALLOWABLE WILL ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Signature	<i>B. Wood</i>
Printed Name	BRIAN WOOD
Title	CONSULTANT
Date	JULY 28, 2003
SURVEYOR CERTIFICATION	
I hereby certify that the well location on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.	
Date of Survey	20 NOVEMBER 2002
Signature and Seal	<i>Michael H. Hueston</i>
Professional Surveyor 6844 REGISTERED LAND SURVEYOR	

Elm Ridge Resources, Inc.
Jicarilla Apache 8 #22
1950' FSL & 1980' FWL
Sec. 20, T. 24 N., R. 5 W.
Rio Arriba County, New Mexico

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Drilling Program

1. ESTIMATED FORMATION TOPS

<u>Formation Name</u>	<u>GL Depth</u>	<u>KB Depth</u>	<u>Elevation</u>
San Jose	000'	5'	+6,660'
Kirtland-Fruitland	2,012'	2,017'	+4,648'
Pictured Cliffs Ss	2,272'	2,277'	+4,388'
Lewis Shale	2,359'	2,364'	+4,301'
Total Depth (TD)*	2,400'	2,405'	+4,260'

* all elevations reflect the ungraded ground level of 6,660'

2. NOTABLE ZONES

Oil & Gas Zones

Ojo Alamo

Pictured Cliffs

Water Zones

San Jose

Coal Zones

Fruitland

Water zones will be protected with casing, cement, and weighted mud. Fresh water encountered during drilling will be recorded by depth, cased, and cemented. Oil and gas shows will be tested for commercial potential based on the well site geologist's recommendations.

3. PRESSURE CONTROL

The drilling contract has not yet been awarded, thus the exact BOP model to be used is not yet known. (A typical 2,000 psi model is on PAGE 3.) BOP and choke manifold system will be installed and tested to 500 psi before drilling surface casing plug. It will remain in use until the well is completed or abandoned. A safety valve and sub with a full opening valve to fit the drill pipe and collars will be available on the rig floor in the open position at all times for

Elm Ridge Resources, Inc.
Jicarilla Apache 8 #22
1950' FSL & 1980' FWL
Sec. 20, T. 24 N., R. 5 W.
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use when kelly is not in use.

All BOP mechanical and pressure tests will be recorded on the driller's log. BOPs will be inspected and opened and closed at least daily to assure good mechanical working order. Inspections will be recorded on the daily drilling report. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place.

4. CASING & CEMENT

<u>Hole Size</u>	<u>O. D.</u>	<u>Weight (lb/ft)</u>	<u>Grade</u>	<u>Type</u>	<u>Age</u>	<u>GL Setting Depth</u>
8-5/8"	7"	23	K-55	S T & C	New	250'
6-3/4"	4-1/2"	10.5	J-55	L T & C	New	2,400'

Surface casing will be cemented to the surface with ≈ 70 cubic feet (≈ 60 sacks) Class B with 1/4#/sk Flocele + 2% CaCl_2 . Yield = 1.18 cubic feet per sack. Weight = 15.2 pounds per gallon. Volume = 100% excess. Centralizers will be installed on the middle of the shoe joint and every other centralizer thereafter. Thread lock the guide shoe and bottom of float collar only. Use API casing dope.

Production casing will be cemented to the surface with ≈ 590 cubic feet (≈ 500 sacks) Class B with 1/4#/sk Flocele + 2% CaCl_2 . Yield = 1.18 cubic feet per sack. Weight = 15.2 pounds per gallon. Volume = 75% excess. At least six centralizers will be used.

5. MUD PROGRAM

A nine pound polymer and fresh water mud system with a viscosity of ≈ 35 will be used. Sufficient material to maintain mud properties, control lost circulation, and contain a blowout will be available at the well while drilling.

Elm Ridge Resources, Inc.
Jicarilla Apache 8 #22
1950' FSL & 1980' FWL
Sec. 20, T. 24 N., R. 5 W.
Rio Arriba County, New Mexico

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6. CORING, TESTING, & LOGGING

No cores or drill stem tests are planned. DIL/GR log may be run from TD to surface. CNL/FSC log may be run over certain intervals.

7. DOWN HOLE CONDITIONS

No abnormal pressures, temperatures, nor hydrogen sulfide are expected. Maximum pressure will be ≤ 960 psi.

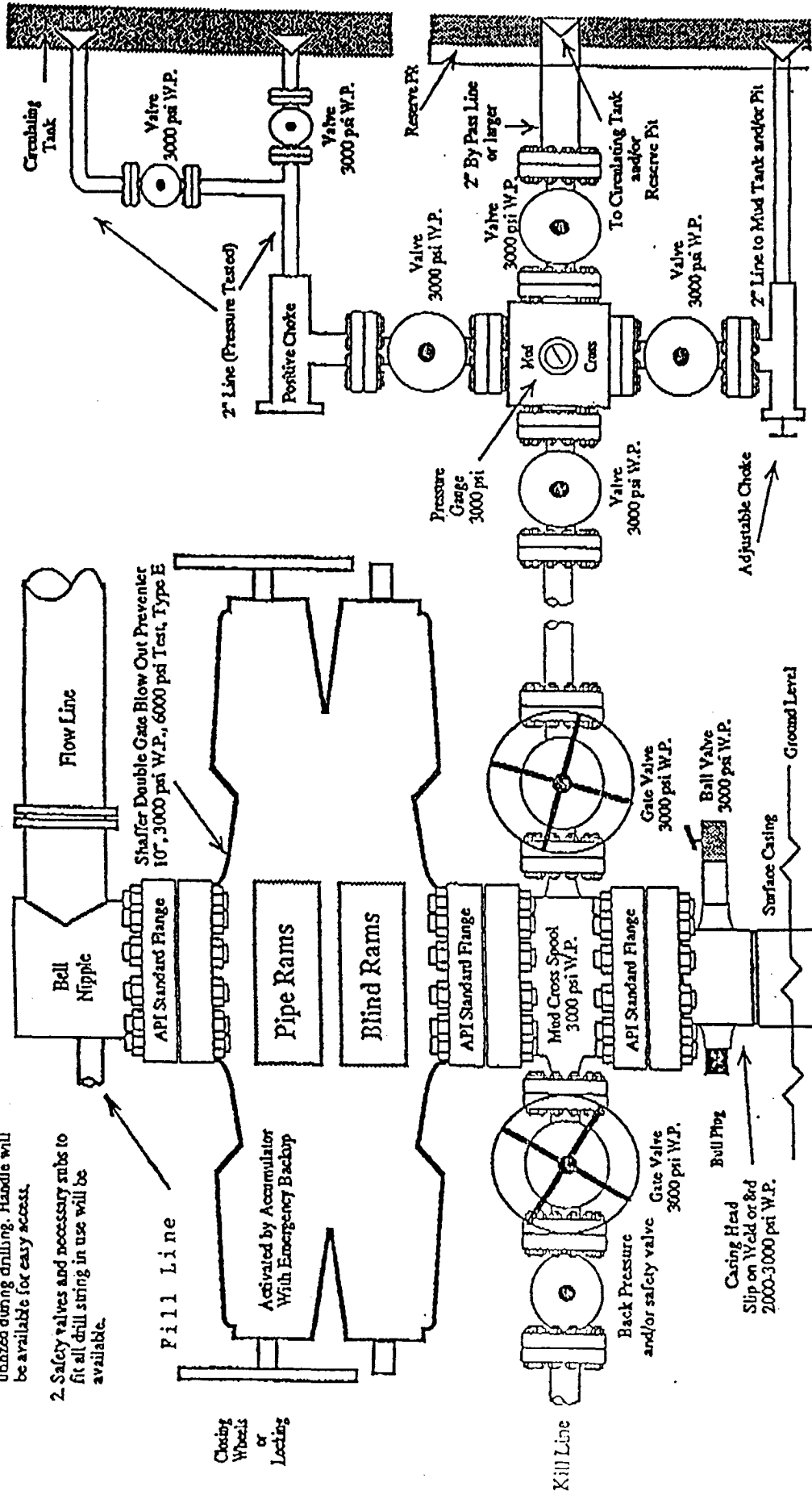
8. OTHER INFORMATION

The anticipated spud date is upon approval. It is expected it will take ≈ 1 week to drill and ≈ 2 weeks to complete the well.

Pressure Control Equipment

Note: 1. An upper Kelly cock valve will be utilized during drilling. Handle will be available for easy access.

2. Safety valves and necessary subs to fit all drill string in use will be available.



Note: This equipment is designed to meet requirements for a 2-M rating standard per 43 CFR part 3160 (amended). Proper operation and testing of equipment will be carried out per standard. 2,000 psi equipment can be substituted in the drawing to meet minimum requirements per standard.

Jicarilla Apache # 22
well pad & section

